demand for more instructors of his type. The Oil Assistant of the department is also touring about the country, demonstrating the superiority of the lemon grass oil manufactured with improved stills. The Chemistry staff of His Highness the Maha Raja's College and the Chemical staff of the Department of Industries have been working in collaboration in the matter of oil research, and arrangements have been made for the construction of an *annexé* to the College Laboratory, where both the staffs may carry on conjoint investigations in the field of industrial chemistry. The old Carpentry school at Quilon, the working of which was extremely unsatisfactory, is undergoing radical transformation. A School of Commerce was opened at Alleppey, the chief commercial centre of the State, in Kanni last, for imparting instruction in commercial correspondence, book-keeping, accountancy and kindred subjects, and it promises to develop into a really useful and popular institution. Competent non-official visitors' boards have been attached to this as well as the Nagercoil Technical Institute. The chief defect of the department has so far been the lack of experts. This defect, however, will in some measure disappear on the return of the Government industrial scholars from Europe. One of them, Mr. C. Kumara Das, B.A., M. SC., who has specialised in the manufacture of soaps and oils, has just returned, while the arrival of Mr. A. K. George, B. A., the tanning expert, is overdue, and the question of his failure to return in time is under investigation. The other two scholars who have specialised in textiles and electrical engineering respectively are also expected to return soon, and on their return Government hope to lay down more definite lines of action in respect of the industries in which they have qualified, and to bring under more effective control the private industrial institutions which are in receipt of grants-in-aid from the State. The Government grant for this department which was only Rs. 66,700 in 1096 has been raised to Rs. 1,27,000 during the current year, and further allotments will have to be made when these experts commence their work. The building up of industries is necessarily a slow and difficult process, and those cannot help being disappointed who are apt to look for startling results in too short a time.

14. Banking—In pursuance of the policy enunciated in my last address, Government have decided to encourage sound indigenous banking concerns and have directed a deposit of Rs. 25,000 being placed with the Quilon Bank, Ltd., at the low interest of 5 per cent., subject to the bank satisfying certain conditions calculated to safeguard the investment. Mr. R. Nilakanda Pillai, the Senior Assistant Account Officer, who was deputed to report on the larger project of a State-aided bank for Travancore, has, after studying on the spot the working of that type of banks in Baroda and Mysore, suggested the desirability of opening such a bank here also. His report on the subject was referred to the Economic Development Board for consideration, and the board has just submitted its reply to the reference. Government hope to be able to pass final orders at an early date. As banking and industries are bound to loom larger in the administrative horizon in the future, Government have deemed it opportune to depute, for a thorough course of training in these subjects in Europe, a competent scholar who would benefit by such training and could successfully fill in due time the rôle of a Director of these expanding movements. Mr. A. Gopala Menon, M. A., Assistant Professor of Economics in His Highness the Maha Raja's College, was accordingly selected to undergo this training on the recommendation of a special board, and he is now studying for the B. Com. Degree of the London University with 'Industries' as his special subject. With a view to inculcate banking habits among the poorer classes, Government are making arrangements for an expansion of the savings bank activities of the Anchal Department. Government treasuries will shortly be relieved of this work, and the entire activity will be transferred to Anchal Savings Banks in future, their number being substantially increased. The interest payable on Savings Bank deposits has been raised from four cash on every three rupees to three cash on every two rupees per mensem and provision has been made in the Savings Bank Rules for the nomination, by the depositors, of the persons to whom moneys standing to their credit may be paid without the need for the production of further evidence of title. It is hoped that the facilities thus afforded will go a great way towards popularising this form of investment among the classes for whose benefit they are primarily intended.

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